



**STATEMENT OF PROCEEDINGS
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY AUDIT COMMITTEE**

**KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 374
LOS ANGELES, CALIFORNIA 90012**

Wednesday, November 20, 2013

10:30 AM

AUDIO LINK FOR THE ENTIRE MEETING. (13-5480)

Attachments: [AUDIO](#)

Present: Chair Dorinne Jordan, Member Kieu-Anh King and Allen Gomez
 for Member Lori Glasgow

Excused: Vice Chair Carl Gallucci, Member Louisa Ollague, Member Lori
 Glasgow

Call to Order. (13-5097)

The meeting was called to order by Chair Dorinne Jordan at 10:35 a.m.

I. ADMINISTRATIVE MATTER

1. Approval of the October 16, 2013 meeting minutes. (13-5098)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

II. BOARD POLICY

2. Recommendation to approve amendments to Board Policy No. 9.040 - Investigations Of Possible Criminal Activity Within County Government (11/14/13). (Continued from meeting of 11/20/13). (13-5378)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

III. OLD BUSINESS

3. Recommendation to approve amendments to Board Policy No. 5.053 - Evaluation of Vendors/Contractors Engaged in Mergers or Acquisitions and extend the sunset review date to December 13, 2017 (10/1/13) (Continued from the meeting of 10/16/13). (13-4768)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

4. Sunset Review for the Los Angeles County Labor-Management Advisory Committee on Productivity Enhancement (9/30/13) (Continued from the meeting of 10/16/13). (13-4766)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

5. District Attorney's Office - Payroll/Personnel Review (8/12/13) (Continued from meetings of 8/21/13, 9/18/13 and 10/16/13). (13-3830)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

6. Review of LAC+USC Healthcare Network Patient Valuables (9/12/13) (Continued from the meeting of 10/16/13). (13-4641)

Dorinne Jordan questioned what prompted the request to have patient valuables reviewed.

Robert Smythe, Auditor-Controller, reported that the concern came from the inability to reconcile patient valuables. The A-C recommends that all control concerns be applied to other medical facilities and all hospitals follow patient valuable processes. Department of Health Services (DHS) has an Audit Compliance Division that is responsible for tracking all recommendations. In this case, the recommendations being tracked by the Division would only apply to LAC+USC and would not implement recommendations in other facilities.

Dorinne Jordan instructed Auditor-Controller staff to follow up with DHS to determine what controls are set at other facilities.

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

7. City of Pasadena Public Health Department - A Department of Public Health HIV/AIDS Prevention and Care Services Provider - Contract Compliance Review (9/23/13) (Continued from meeting of 10/16/13). (13-4650)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

8. Department of Mental Health - Pharmacy Operations (9/25/13) (Continued from the meeting 10/16/13). (13-4653)

Terri Kasman, Auditor-Controller, provided a brief overview of the findings and contributing factors to County incurred pharmaceutical expenses. Ms. Kasman emphasized the following issues as key contributing elements for the incurred expenses:

- **Lack of Medi-Cal inquiries when applicable by the contracted pharmacies**
- **Insufficient information in the Prescription Authorization Tracking System (PATs) to determine third party coverage**

Ms. Kasman reported that in a sample review executed by her office of 10 client files, seven were found to be eligible for Patient Assistance Programs (PAPs), but were not enrolled; and two were enrolled for the programs, but the County still paid for the medications. Better screening of the patients is recommended to fulfill the potential of PAPs.

Roderick Shaner, Department of Mental Health (DMH), reported that PATs has limited abilities to identify Medi-Cal eligible patients. Review of updated lists for Medi-Cal eligible patients, language changes in the contracts and quarterly payment holds by the department, for contracted pharmacies, are mechanisms utilized to filter potential Medi-Cal eligible patients. Mr. Shaner reported that prescribing practices have changed due to funding restrictions and a program that allows all Medi-Cal prescriptions to be executed electronically will be fully implemented by the end of this fiscal year. Mr. Shaner shared that a program was implemented to request photo identification, for non-emergency services, as an in-County residence verification mechanism. Mr. Shaner provided an overview of PAPs for indigent patients, reported potential cost saving alternatives and emphasized the need to have pharmacies implement better record keeping practices.

Initial stages of a Request for Proposals (RFP) are in progress for uninsured individuals. Mr. Shaner added that further assistance from the State government will facilitate additional savings.

Dorinne Jordan asked why DMH was not getting Board of Supervisors approval to accept PAPs as donations.

Mr. Shaner provided an overview of the process for accepting PAP donations by the pharmaceutical foundations to patients and reported that changing the donation process may pose a risk of losing them.

Gerald Ko, DMH, reported that requests for the medications are made by the patients and having them surrendered to the County before they are delivered to the patients would deviate from the original agreement.

Allen Gomez expressed concern about liability issues that may be presented with the medications. Ms. Kasman reported that A-C recommends exploring the variances of the medication process. Discussion ensued about whether the medications should be identified as donations or not.

Dorinne Jordan requested that County Counsel staff be invited to the next meeting and have this item included at the Health and Mental Health Services cluster meeting.

On motion of Dorinne Jordan, seconded by Allen Gomez, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

9. Los Angeles Urban League - Pomona - A Community and Senior Services' Workforce Investment Act Program Contract Service Provider - Contract Compliance Review - Fiscal Year 2012-13 (9/26/13) (Continued from the meeting 10/16/13). (13-4654)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

10. Los Angeles Urban League - South Central - A Community and Senior Services' Workforce Investment Act Program Contract Service Provider - Contract Compliance Review - Fiscal Year 2012-13 (9/26/13) (Continued from the meeting of 10/16/13). (13-4655)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

11. Review of Rancho Los Amigos National Rehabilitation Center's Affinity-Hospital Information System (9/26/13) (Continued from the meeting of 10/16/13). (13-4656)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

12. Department of Parks and Recreation - Review of Proposition A Contract Cost Analysis for Maintenance Services at La Puente Area Parks (9/26/13) (Continued from the meeting of 10/16/13). (13-4657)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

13. Department of Health Services - Health Services Administration and Office of Managed Care Procurement Review (9/27/13) (Continued from the meeting of 10/16/13). (13-4658)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

14. The Office of the Assessor - Quarterly Status Report on Management Audit Recommendations (Board Agenda Item 47, January 8, 2013) (10/02/13) (Continued from the meeting of 10/16/13). (13-4767)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

IV. REPORTS

15. Fiscal Year 2013-14 Cash Flow Projection (10/18/13). (13-5067)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

16. Department of Public Health - Drug Medi-Cal Program Audit (Board Agenda Item 5, August 13, 2013) (10/18/13). (13-5068)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

17. Department of Parks and Recreation Metro ExpressLanes FasTrak Transponder Internal Control Plan (10/21/13). (13-5070)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

18. Hub Cities Consortium - A Community and Senior Services' Workforce Investment Act Program Contract Service Provider - Contract Compliance Review - Fiscal Year 2012-13 (10/21/13). (13-5071)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

19. Long Beach Memorial Medical Center - A Department of Public Health HIV/AIDS Prevention and Care Services Provider - Contract Compliance Review (10/23/13). (13-5072)

Elaine Boyd, Auditor-Controller, reported that a substantial amount of services were subcontracted by the agency, but supporting documents for the expenditures were not provided at the time of the review. Time studies also need to be provided for independent consultants that were hired for cost allocation problems. Ms. Boyd added that a second request for the supporting documents was made by the Department of Public Health and A-C will assist in reviewing the documentation once it has been received.

Kieu-Anh King requested that Department of Public Health staff be invited to the January 2014 meeting.

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was continued to January 2014.

Attachments: [SUPPORTING DOCUMENT](#)

- 20.** Registrar-Recorder/County Clerk - Cash Operations Review (10/30/13). (13-5166)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 21.** Department of Health Services - Contract Management Review and Contract Monitoring Assistance (11/4/13). (13-5236)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

V. DISCUSSIONS

- 22.** CSS Monitoring Update. (13-5376)

Jackie Sakane, Community Senior Services (CSS), provided an overview of the updated Quarterly Questioned Costs Collection/ Resolution Status Report and introduced Paul Goldman, CSS, and Adrian Romero, CSS. Ms. Sakane reported that progress is being made with the agencies that had findings and the State of California is also conducting reviews.

Ms. Sakane will provide a definition for WWYEP in the report and will also provide a summary of the outstanding accounts, sorted by agency for FY 2011-12 and FY 2012-13.

- 23.** Pending Audits/Monitoring Reports. (13-5143)

Wendy Watanabe, Auditor-Controller, identified items that will be discussed in closed session with the Board of Supervisors.

- 24.** Discuss possible alternatives to process sensitive audit reports (Continued from meetings of 7/17/13, 8/21/13, 9/18/13 and 10/16/13). (13-3211)

By Common Consent, there being no objection, this item was continued to the next meeting.

VI. MISCELLANEOUS

- 25.** Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (13-5145)

There were no matters presented.

- 26.** Public Comment. (13-5146)

No members of the public addressed the Committee.

- 27.** Adjournment. (13-5149)

There being no further business to discuss, the meeting adjourned at 11:35 a.m.